Re: TF017708: Democratic Republic of Timor-Leste: Japan Social Development Fund Grant for the Community Driven Nutrition Improvement Project

Additional Instructions: Disbursement Letter

First Restatement of the Disbursement Letter

December 3, 2014

Dear Sir:

I refer to the Letter Agreement ("Agreement") between the International Development Association ("World Bank"), acting as administrator of the Japanese Social Development Fund for the Community Driven Nutrition Improvement Project, and the Catholic Relief Services – United States Conference of Catholic Bishops (the "Recipient") for the above-referenced project, dated July 17, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF017708 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is first Restatement of the Disbursement Letter dated July 17, 2014 for the above referenced project restating Section II (vi) and deleting Section V. All other provisions of the original Disbursement Letter shall remain in force and effect.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

1. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment
(b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Reimbursements and Direct Payments is USD 100,000.

(vi) Advances (sections 5 and 6)

- **Type of Designated Account (subsection 5.3):** Segregated
- **Currency of Designated Account (subsection 5.4):** United States Dollars (USD)
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** ANZ Bank
- **Ceiling (subsection 6.1):** JSD 300,000

III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - Statement of Expenditure in the form attached (Attachment 4)
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts/payments valued at USD 200,000, or more
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5)

- **For reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditure in the form attached (Attachment 4)
  - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts/payments valued at USD 200,000, or more
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 5); and,
  - A reconciliation of the Designated Account, in the form attached (Attachment 6), with a copy of the bank statement.

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly or more often if required.